



April 4, 2008

TO: Retirement Board

FROM: Alan H. Winkle, Executive Director

SUBJECT: Legislative Status - FINAL

This is the final update, as the legislature has adjourned for the session. On the PERSI website, the bill numbers will be hot-linked to the text of the bills on the state legislature internet site.

### **Senate Bills**

[SB 1367](#)– Divest PERSI Retirement Funds from Sudan – this bill would require PERSI to identify and divest from companies identified as doing business in Sudan. The Board has done extensive study on this issue and determined 1) PERSI is not invested in the Sudan government or any company domiciled in the Sudan; 2) Divestment is not in the best interests of the beneficiaries of the fund and therefore violates fiduciary duty; 3) Divestment will increase costs, decrease investment returns and place the legislature in an investment management role; and 4) Divestment will have no impact on the situation in Darfur. PERSI opposes this bill.

**STATUS:** Motion to send the bill to the floor with a Do Pass Recommendation failed on a 4 – 5 vote.

[SB 1368](#) - Remove the Cap from the State Retiree Medical (Sick Leave) Plan – With the proposal to shift additional costs of medical insurance to retirees and the growth in retiree medical insurance over time, there has been continued interest in removing the cap on the amount of sick leave State Employees could use to pay retiree medical insurance premiums. This would make the State plan comparable to the School District plan. The contributions for this program are paid by the State at 0.65% of active member compensation. Funding is provided by extending the payments for an additional 12 years (estimated by the actuary).

**STATUS:** No action taken this session.

[SB 1447](#)<sup>aa</sup> – State Employee/Retiree Health Insurance Eligibility. This Bill replaces HB 416. GROUP INSURANCE - Amends existing law relating to the Department of Administration and group insurance; to revise powers and duties of the Director of the Department of Administration regarding group insurance; to provide for the creation of a Group Insurance Fund; and to provide for contributions on the basis of appropriated salaries. Beginning on January 1, 2009 retirees will not be covered under the state plan if they are eligible for Medicare. Beginning July 1, 2008 eligible retirees will receive \$155 per month towards health insurance premiums (until eligible for Medicare).

**STATUS:** Passed Senate as amended on 3/19/08 by 32-10-2. Referred to House State Affairs Committee on 4/1/08. Committee voted to hold.

### House Bills

[HB 362](#) – Revise Compensation for members of the Board of Podiatry – this bill would change the type of compensation for the Board which removes the members of the Board of Podiatry from PERSI.

**STATUS:** Governor signed. Effective: 07/01/08

[HB589](#) – Appropriations for PERSI  
Appropriates \$7,076,600 to the Office of the Governor for the Public Employee Retirement System for fiscal year 2009; provides legislative intent that moneys appropriated for the Portfolio Investment Program are for administrative costs of the program; and limits the number of authorized full-time equivalent positions to 65.

**STATUS:** Passed House by a vote 66-0-4. Passed Senate by vote 32-0-3.

If you have any questions on this or other legislation, please let me know.